

UNITED STATES SENATOR • IOWA

CHUCK GRASSLEY

RANKING MEMBER • SENATE COMMITTEE ON FINANCE

<http://grassley.senate.gov>
press_office@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

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Grassley Continues Leadership for Renewable Energy

Senator Proposes Legislation to Convert Animal Waste to Electricity, Reduce Odor and Runoff

WASHINGTON — Providing new opportunities for energy production, environmental clean-up and increased farm income, Sen. Chuck Grassley today introduced legislation to create a production tax credit and start-up incentive for electricity generated from hog and cattle manure.

“Using the waste generated by the hogs and cattle fed by larger-scale operations for electricity production could eliminate as much as 90 percent of the odor and dramatically reduce problems with run-off,” Grassley said. “With my position on the committee that’s responsible for tax policy, I’m committed to making this possibility a reality. My proposal would benefit every Iowan, from suburban families to rural residents and livestock producers.”

Grassley is the senior Republican on the tax-writing committee in the U.S. Senate, where he has championed policies that encourage development of renewable energy including wind, closed-loop biomass and corn-based ethanol.

Grassley said it’s high time to give similar tax incentives to swine and bovine producers to produce renewable energy. “Along with the tax incentive, we need to help spur the capital that’s needed to develop the infrastructure,” he said.

So, in addition to expanding Section 45 of the Internal Revenue Code, Grassley’s bill would guarantee that funds be made available under an existing program – known as the Environmental Quality Incentives Program – for the development of anaerobic digesters, the technology used to convert animal waste into electricity. EQIP provides federal dollars for technical, educational and financial assistance to farmers and ranchers for soil, water and other natural resource issues. One goal of the program is aimed at improving farm manure management systems. The Grassley bill specifies that EQIP payments be made available to producers for cost-sharing on projects that involve implementing anaerobic digesters.

Grassley said his proposal – the *Providing Opportunities With Effluent Renewables Act of 2000*, or *POWER* – would be effective because of the benefits for producers. By using animal waste as an energy source, a livestock producer can reduce or eliminate monthly energy purchases from electric and gas suppliers. Grassley cited a dairy operation in Minnesota that generates enough

electricity to run the entire dairy operation, saving close to \$700 a week in electricity costs. This dairy farm also sells the excess power to their electrical provider, providing enough electricity to power 78 homes each month year round.

In addition, the technology used to create the electricity can also create a marketable fertilizer product that is 50 percent higher quality than unprocessed animal waste.

“This process is a perfect example of how the agriculture and energy industries can come together to develop an environmentally friendly renewable resource. We need to think ahead and develop progressive sources of energy,” Grassley said. “My initiative would expand the production of renewable energy while cleaning up the environment and helping farmers increase their income.”

Today there are approximately 20 dairy or hog farms nationwide where an anaerobic digester or a similar system is used to convert manure into electricity. During this process, anaerobic bacteria digests organic material in the absence of oxygen, producing biogas as a waste product, which is then turned into electricity. Biogas is comprised of 50-80 percent methane and 20-50 percent carbon dioxide. Methane released into the atmosphere is a greenhouse gas. This process burns the methane and turns it into electricity instead.